



U.S. Department of
Transportation

Office of the Secretary
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.
Washington, D.C. 20590

73195

FEB 16 2000

OST-99-6410-35

Ms. Ruth O. Myers
President
Preferred Travel & Cruise Inc.
1446-5 Edwin Miller Blvd.
Martinsburg, WV 25401


Dear Ms. Myers:

Secretary Slater has asked me to respond to your letter of January 25, 2000, in support of the formal **complaint** that the American Society of **Travel Agents (ASTA)** has recently filed with this Department against a number of **airlines** (Docket OST-99-6410). **ASTA alleges** that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices and unfair methods of competition **in violation of 49 U.S.C. §41712**.

The airlines filed their responses to ASTA's complaint on December 10. It is now up to the Enforcement Office to review the complaint and **responses** and determine whether, under our statute, the complaint should be pursued or dismissed. Under these **circumstances**, it would be inappropriate for me to comment on the substance of your letter. You can track the pleadings as well as the Department's actions through our Dockets web site at <http://dms.dot.gov>. Clicking on "search" and then typing "6410" in the space for the docket number and again clicking on "search" will bring up a list of all documents in the docket. Each item can be opened.

The Department's *ex parte* rules, 14 CFR Part 300, require that I place your letter and a copy of this reply in Docket OST-99-6410. Please be assured that **ASTA's** complaint will receive careful and thorough consideration.

Sincerely,


Samuel Podberesky
Assistant General Counsel for
Aviation Enforcement and Proceedings

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OFFICE OF THE SECRETARY
U.S. DEPARTMENT OF TRANSPORTATION



January 25, 2000

1446-5 Edwin Miller Blvd., Martinsburg, WV 25401
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The Honorable Rodney E. Slater
United States Secretary of Transportation
400 Seventh St. SW
Washington, DC 20590

Dear Mr. Secretary,

Simply put, I am asking you to save the travel agency business. Travel agents, who provide consumers with the last, best hope for getting neutral, professional information and advice about travel service options are being forced out of business by unfair airline competition.

As you know, my association, the American Society of Travel Agents (ASTA), has filed a complaint against the major airlines charging them with unfair practices and unfair methods of competition in air transportation and the sale of air transportation, in violation of 49 USC 41712. That complaint specifies, in detail, how the airlines are destroying the travel agency business by setting agents' compensation below the cost of doing business while, at the same time, driving up agents' costs with unnecessary and anti-competitive requirements.

If the airlines succeed in eliminating travel agents from the marketplace, it will be much harder for the public to learn about all of the fare and service options available to them. On the whole, this will increase the likelihood that consumers will spend more for air travel than they otherwise would.

ASTA has asked you to order the airlines to stop their unfair practices and unfair methods of competition. We do not request this relief lightly. But we know also that not granting the relief we seek will have grave consequences. At issue is whether travel agencies, which have served the public necessity and convenience since the dawn of commercial aviation, will survive in anything like their present numbers.

Through three previous reductions in compensation rates, travel agents have not before asked you to use your statutory powers to intervene directly. Now we must ask you to decide and tell us, up or down, whether there is a place for travel agencies in the future of air transportation.

Sincerely,

Ruth O. Myers
President